

Assurant Health - Individual Medical
Appendix B: Trend Exhibit

Benefit Category	% of Claim Dollars	Utilization (Increase in Number of Services)	Severity (Increase in Cost per Service)	Allowed Trend (Utilization * Severity)
Professional	28%	1.05	1.01	1.054
Inpatient Hospital	24%	1.100	1.01	1.109
Outpatient Hospital	33%	1.119	1.01	1.130
Other Medical	2%	1.07	1.21	1.292
Prescription Drug	13%	1.09	1.03	1.124
Total	100%	1.08	1.01	1.099

The above exhibit represents the three year average for 2010, 2011, and 2012.
Given this information, we are proposing an allowed trend of **9.5%**.

Proposed Trend

Benefit Category	% of Claim Dollars	Utilization (Increase in Number of Services)	Severity (Increase in Cost per Service)	Allowed Trend (Utilization * Severity)
Professional	28%	1.04	1.01	1.045
Inpatient Hospital	24%	1.09	1.01	1.100
Outpatient Hospital	33%	1.11	1.01	1.121
Other Medical	2%	1.06	1.21	1.281
Prescription Drug	13%	1.08	1.03	1.114
Total	100%	1.08	1.01	1.095

Historical levels

2012 over 2011	100%	1.10	1.02	1.124
2011 over 2010	100%	1.10	1.00	1.101
2010 over 2009	100%	1.06	1.02	1.073
3 year average	100%	1.08	1.01	1.100
2 year average	100%	1.09	1.01	1.108